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6 DEFENDANT

FILED  
BUSINESS DIVISION  
DEC 7 8 42 AM '70  
CLERK, SAN DIEGO CO.  
CALIFORNIA

7 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
8 IN THE COUNTY OF SAN DIEGO

9  
10 PAUL SAMUEL SHEPHERD, )  
11 Plaintiff, )

12 -vs- )

NO. 384590

13 DENNIS PARTEE, JAMES PIERCE, )  
14 GARY GARRISON and CINEMATRONICS, )  
15 INC., a California corporation, )  
16 and DOES I through V, Incl., )  
17 Defendants. )

ANSWER TO CROSS-COMPLAINT FOR  
DAMAGES AND RECISSION

17 CINEMATRONICS, INC., a California )  
18 corporation, )  
19 Cross-Complainant, )

20 -vs- )

21 PAUL SAMUEL SHEPHERD, and DOES )  
22 I through X, Inclusive, )  
23 Cross-Defendants. )

24 Comes now cross-defendant, PAUL SAMUEL SHEPHERD, and  
25 answers the cross-complaint on file herein as follows:

26 ANSWER TO FIRST CAUSE OF ACTION

27 I

28 Cross-defendant admits each and every allegation contained

1 in Paragraphs I and II of the first cause of action herein.

2 II

3 Cross-defendant denies each and every allegation of Para-  
4 graph III of the alleged first cause of action in the conjunctive  
5 as well as the disjunctive.

6 III

7 Cross-defendant denies each and every allegation contained  
8 in Paragraph IV of the first cause of action in the conjunctive  
9 as well as the disjunctive.

10 IV

11 Cross-defendant admits each and every allegation contained  
12 in Paragraph V of the first cause of action.

13 V

14 Cross-defendant has no information or belief sufficient to  
15 enable him to answer the allegations of Paragraphs VI, VII, VIII  
16 and IX of the first cause of action, and basing his denial on that  
17 ground, denies each and every allegation thereof.

18 VI

19 Cross-defendant denies each and every allegation of Para-  
20 graph X of the first cause of action in the conjunctive as well  
21 as the disjunctive.

22 SECOND CAUSE OF ACTION

23 I

24 Cross-defendant hereby refers to its answers to Paragraphs  
25 I through X inclusive of the first cause of action and incorporates  
26 them herein as fully set forth.

27 II

28 Cross-defendant denies each and every allegation set forth

1 in Paragraph II of the second cause of action in the conjunctive  
2 as well as the disjunctive, specifically denying that during the  
3 months of April 1975 to August 1975, cross-defendant breached his  
4 fiduciary duty to cross-complainant by converting corporate prop-  
5 erty to his own use, or at all.

6 III

7 Cross-defendant denies each and every allegation set forth  
8 in Paragraph III of the second cause of action in the conjunctive  
9 as well as the disjunctive, specifically denying that cross-  
10 defendant breached his fiduciary duty to cross-complainant by  
11 assembling much of the aforementioned property into the form of  
12 marketable video game units and then marketing said units in direct  
13 competition with cross-complainant, or at all.

14 IV

15 Cross-defendant has no information or belief sufficient to  
16 enable him to answer the allegations of Paragraph IV of the second  
17 cause of action, and basing his denial on that ground, denies each  
18 and every allegation thereof.

19 V

20 Cross-defendant denies each and every allegation set forth  
21 in Paragraph V of the second cause of action in the conjunctive as  
22 well as the disjunctive, specifically denying that any acts and  
23 conduct of the cross-defendant were oppressive, fraudulent and  
24 malicious or that cross-defendant knowingly attempted to conceal  
25 the removal of said property or that cross-defendant knowingly  
26 attempted to conceal his direct competition with cross-complainant,  
27 or at all.

28 /////



1 forth in Paragraph V of the third cause of action in the conjunctive  
2 as well as the disjunctive, specifically denying that during the  
3 months of April 1975 to August 1975, cross-defendant breached and  
4 was in breach of the provisions of his oral employment contract  
5 thereby violating his fiduciary duty and duty of good faith and  
6 loyalty by converting the corporate property of cross-complainant  
7 to cross-defendant's own use and by entering into direct competition  
8 with cross-complainant, or at all.

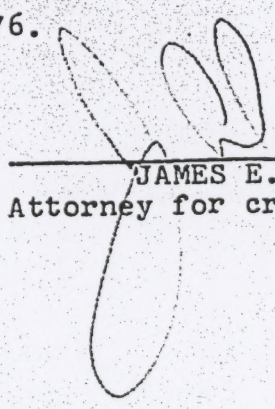
9 VI

10 Cross-defendant has no information or belief sufficient to  
11 enable him to answer the allegations of Paragraph VI of the third  
12 cause of action of the cross-complaint, and basing his denial on  
13 that ground, denies each and every allegation thereof.

14 WHEREFORE, Cross-defendant prays:

- 15 1. That cross-complainant take nothing by way of its  
16 cross-complaint;  
17 2. That cross-defendant be awarded its costs; and  
18 3. For such other and further relief as the court may  
19 deem just and proper.

20 DATED: December 2, 1976.

21  
22   
23 \_\_\_\_\_  
24 JAMES E. CLARK  
25 Attorney for cross-defendant  
26  
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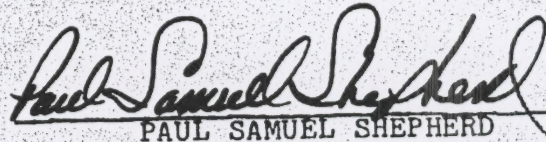
V E R I F I C A T I O N

I, PAUL SAMUEL SHEPHERD, declare:

That I am the PLAINTIFF and CROSS-DEFENDANT in the above-entitled proceeding; I have read the foregoing ANSWER TO CROSS-COMPLAINT FOR DAMAGES AND RECISSION and know the contents thereof; and I certify that the same is true of my own knowledge, except as to those matters which are therein stated upon my information or belief, and as to those matters I believe it to be true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on 12-3-, 1976, at San Diego, California.

  
PAUL SAMUEL SHEPHERD

ATTACH ORIGINAL OR TRUE COPY

CASE NUMBER: 384590

ATTORNEY:

JAMES E. CLARK, ESQ.

3960 Park Blvd.,

San Diego, CA 92103

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BUSINESS DIVISION

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CLERK, SAN DIEGO CO.  
CALIFORNIA

DECLARATION OF SERVICE BY MAIL (C.C.P. 1013a and 2015.5)

I, the undersigned, say: I am over 18 years of age, employed in  
(Resident/Employed)  
the County of San Diego, California, in which county the within-  
mentioned mailing occurred, and not a party to the subject cause. My business  
(Business/Residence)  
address is 3960 Park Blvd., San Diego, CA 92103  
(No., Street) (City, State)  
I served the ANSWER TO CROSS-COMPLAINT FOR DAMAGES AND RECISSION

of which a true and correct copy of the document filed in the cause is affixed, by placing a copy thereof in a separate envelope for each addressee named hereafter, addressed to each such addressee respectively as follows:

THOMAS H. AULT, ESQ.  
Holt, Rhoades and Hollywood  
1010 Second Avenue, Suite 1712  
San Diego, CA 92101

Each envelope was then sealed and with the postage thereon fully prepaid deposited in the  
United States mail by me at San Diego California, on  
(City)  
December 2nd, 19 76

I declare under penalty of perjury that the foregoing is true and correct.

Executed on December 2nd, 19 76, at San Diego  
(Place)

California.

Jaqueline V. Muesig  
(Signature)

PROOF OF SERVICE BY MAIL